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PROGRAMME PLANNING: COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FIFTH COUNTRY PROGRAMME FOR BHUTAN

Programme period	Resources	$
1992-1996	Net IPF	24 492 000
	Estimated cost-sharing	1 008 000
	Total	25 500 000

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I. DEVELOPMENT SITUATION, OBJECTIVES AND STRATEGIES

A. Current socio-economic situation

1. Efforts to develop a modern economy in Bhutan date from the early 1960s. During the past three decades, Bhutan has emerged from a state of virtual geographic and political isolation into a modern nation with enhanced capacity to implement development programmes.

2. While reliable data prior to 1980 are limited, achievements over the last decade have been encouraging. Economic growth, although erratic, averaged 7.5 per cent. The gross domestic product per capita reached about $370 in 1991. The structure of GDP has changed, with agriculture dropping from 55 per cent to 45 per cent, its share taken by electricity, which grew from about zero to 10 per cent (mostly export of hydropower to India generating about one third of government revenues). Performance in the manufacturing, mining, telecommunications and transport sectors (especially roads and air transport) have improved significantly. Capital formation ranged from 30 per cent to 40 per cent of GDP over the decade.

3. Although population is currently estimated at 600,000, there are signs that future population growth may place an increasing burden on the limited land suitable for farming (about 9 per cent of the land area) and this would contribute to a serious deterioration of the environment.

4. While Bhutan has an open economy, and India remains its major trading partner, some success has been noted in recent years in the diversification of exports and imports. External aid inflows have helped to bridge the current account deficit although difficulties have arisen in the last two years in meeting an overall deficit. The domestic tax base is limited by low monetization of the economy. Although domestic revenues have increased, the Government was forced to cut back expenditures. In 1991, the recurrent budget was reduced by about 30 per cent below the 1989/90 peak.

5. Current indicators of human development point to serious problems caused by the remoteness and lack of access to services of the largely rural population. Considerable priority has been given to expanding access to basic health services (over 90 per cent coverage and achievement of universal childhood immunization in 1990) and to primary schooling (gross enrolment rate over 70 per cent). Despite such successes, much remains to be done to improve the quality and access to basic education, to reduce high illiteracy levels (70 per cent), to reduce high infant and maternal mortality rates (125/1,000 and 770/100,000 respectively), and to expand access to safe water supply and sanitation facilities (only 20 per cent of rural areas). Nutrition of children and mothers also requires concerted attention. Life expectancy is estimated at 49 years for males and 48 for females. While there are no gender restrictions in Bhutan, there is a need to increase women's participation in the development process. Initiatives designed to improve their access to education will be given priority.

6. Cognizant of the prevailing socio-economic situation, the Government has accorded priority to human resources development and increasing people's participation in development through the promotion of private sector initiatives, the rationalization of the Government's role and increased decentralization. UNDP's interventions proposed in the fifth country programme are in direct support of meeting the Government priority needs.

B. National development objectives and strategies

7. The overall aim of the seventh Five-Year Plan (1992-1997) is to raise living standards, with particular emphasis on environmental and cultural aspects of development. The plan focuses on six priority areas: self-reliance, sustainable development, efficiency of government and of the private sector, promoting people's participation in the development process, development of human resources, and regionally balanced development.

8. Annual growth rates of above 5 per cent are forecast, with continued emphasis on sustainable exploitation of natural resources, e.g., hydropower, and increasing manufacturing and tourism activities. To meet this target, total resources of $865 million are required, of which $500 million needs to be financed through aid. To increase resource mobilization, self-financing projects (not included in the seventh Plan) in the power and industry sectors will be given emphasis. In the Plan, priority is given to the social sectors (education 11.2 per cent, health 6.7 per cent, human resources development 8.5 per cent), to natural resources (agriculture 12.6 per cent and forestry 3.1 per cent), to communications (roads 7.8 per cent and telecommunications 7 per cent) and trade and industry (9 per cent). Debt servicing and general administration absorb the balance of resources. While some sectors will expand, the overall emphasis is on consolidation, with over 55 per cent of the plan allocations devoted to financing recurrent expenditures (excluding the self-financing projects).

II. EXTERNAL COOPERATION

A. Role of external cooperation

9. Foreign debt reached 65 per cent of convertible currency export earnings in 1989/90 (28 per cent of GDP). Approximately 8 per cent of plan resources will be required for debt servicing.

10. Over the last decade aid flows have decreased as a ratio of GDP from about 50 per cent to only 20 per cent in 1990 and a further decline is anticipated. Aid from India, in the form of a budgetary grant, project aid and technical assistance, comprises about two thirds of the total flows. Of the other sources, which totalled $55 million in 1990 from about 36 donors, the United Nations system comprised 42 per cent (down from 49 per cent) and bilateral donors 45 per cent reflecting a further diversification of aid sources. Other than India, Japan provided most assistance (23 per cent),

followed by UNDP (18.1 per cent), the United Nations Children's Fund (UNICEF) (7.7 per cent), the Asian Development Bank (7.5 per cent), the World Food Programme (WFP) (7.3 per cent), Helvetas SDC (6.3 per cent), Denmark (4.9 per cent) and Germany (3.4 per cent). The World Bank (IBRD), the United Nations Capital Development Fund (UNCDF), the United Nations Population Fund (UNFPA) and a small number of NGOs are also providing support. In 1990, the agricultural sector received most assistance (30 per cent) followed by energy (16 per cent), human resources (14 per cent), health (10 per cent) and other social sectors (8 per cent).

B. Aid coordination arrangements

11. The Government has assigned to the Planning Commission the main responsibility for aid management and coordination, supported by the Ministries of Foreign Affairs and Finance and the Royal Civil Service Commission. The Government's aid policies are presented in the Plan document which will be tabled at the fourth round table meeting, scheduled for March 1992. With support from UNDP, the mechanisms for coordination are being strengthened through improvements in evaluation and monitoring, sector coordination and compilation of statistical information. Given the need to simplify aid management for the Government, donors are encouraged to focus on a few sectors and to increase provisions for recurrent costs in project budgets.

12. The Government has fully recognized the role of the Resident Coordinator and appreciated the contributions made by almost all United Nations organizations in the formulation and elaboration of sectoral programmes for the seventh Plan. It has encouraged the Joint Consultative Group on Policy (JCGP) to identify more effective ways of cooperation and was especially pleased with the results in programming effective distribution of food aid, in supporting CDF-financed projects and in joining with IFAD to formulate an integrated programme in the eastern zone of the country.

III. THE COUNTRY PROGRAMME

A. Assessment of ongoing country programme

13. The fourth country programme was subject to a mid-term review in 1989, which was reviewed by the Governing Council in February 1990. Further assessment of experience was undertaken in 1990 in preparation for the advisory note. These reviews reached consensus on a number of issues. Noted was the desirability of keeping the number of active projects to about 20 and of increasing cost-sharing by other donors (given that commitments normally exceed resources by about 20 per cent). To improve sustainability of project results, increased linkages with the United Nations Volunteers (UNV) and UNCDF programmes were emphasized. While the direct support projects in industry, forestry, agriculture and livestock were successfully implemented, the issues which arose on sustainability and feasibility confirmed the importance of

private sector involvement from the beginning and the need to focus UNDP's limited resources on sector programming and feasibility studies rather than on support to individual investments. In particular, it was felt that UNDP should focus on establishing capacity to gather, analyse and evaluate information for decision-making purposes.

14. UNDP's comparative advantage in the undertaking of sectoral assessments, including master plans, was noted as self-evident from the completion of the telecommunications master plan, the commencement of the power and horticulture master plans, the work on master planning at two educational institutions, and the sector studies and programming in industry and agriculture. Modest successes were achieved in national execution of projects. On thematic issues, human resources development and the environment were consistently addressed, while the impact on women in development was rather limited, with less than 5 per cent of training opportunities awarded to women.

15. The largest programme in the fourth country programme, the human resources development programme, absorbed 35 per cent of total resources. Four hundred and forty-four fellows were trained abroad in a number of areas including finance, public administration, education, agriculture and public works. An impact assessment in December 1991 found that most trainees returned to relevant posts and that their technical professional and managerial competence had been increased. At the same time, it concluded that the transfer of knowledge and receptivity within organizations could be enhanced through more focus on in-country training using past fellows as resource personnel. The 12 in-country training courses were also successful but further capacity-building in national institutions is required for a sustainable impact.

16. In the Royal Civil Service Commission, capacity has been created for master planning for human resources development and for the management of the civil service. While the human resources development programme has done much to improve capacity throughout the Government, many sectors still suffer from acute shortages of trained personnel and lack of efficient structures in which to function. While the UNV programme (65 UNVs on average per year using 15 per cent of IPF resources) has helped fill some gaps, it is recognized that the development roles of UNVs should be emphasized in future through effective transfer of skills and training.

B. Proposals for UNDP cooperation

1. Preparatory process

17. In addition to the mid-term review in 1989 and the assessment undertaken in 1990, the dialogue between the Government, UNDP, other United Nations agencies and donors in connection with preparations for the seventh Plan and the 1992 round table meeting has greatly facilitated the preparatory process for the fifth country programme. Sectoral priorities were also determined through sectoral reviews, programme formulation missions, evaluations/reviews

of major development programmes, and inter-agency consultations. The JCGP partners revised their programming timetables so that the programmes of UNICEF, UNFPA, UNCDF, WFP and the International Fund for Agricultural Development (IFAD) were prepared in 1991, to coincide with preparations for the fifth country programme, optimizing cooperation and focus in the process. UNDP's proposed areas of focus are fully consistent with the Plan priorities.

2. Strategy for UNDP cooperation

18. Areas to be supported under IPF were determined after careful review of government priority needs, proposed interventions of other donors and United Nations agencies, UNDP's comparative advantages, and the areas of focus as mandated by the Governing Council. Areas of UNDP's proven comparative advantage were its neutrality, flexibility in responding to national needs, capacity to seek out a global network of specialized expertise, capacity to transfer technology, and cost-effective modalities such as the use of UNVs. UNDP's role in supporting aid coordination efforts was also highlighted. The Government has proposed that UNDP focus its efforts on a few major sectors so as to increase impact. The Government's focus on selected high-impact areas represents a shift towards a programme approach and coordinated resource mobilization.

19. The Government's strategy for the use of UNDP resources is to address development constraints due to human and financial limitations through programmes designed to improve management efficiency in the Government, development of the private sector, integrated regional development in Zone IV, increased community participation and capacity-building. Complementary assistance to national initiatives in these areas will be provided under the UNDP inter-country programme for Asia and the Pacific, and through subregional cooperation.

20. Through JCGP initiatives, resource mobilization and programme formulation are planned for education, health, and rural programmes with other United Nations agencies. The main partners are UNICEF (focusing on primary education, primary health care, water supply and sanitation and social mobilization particularly emphasizing the role of women), UNFPA (focusing as before on maternal/child health and family planning, the role of women, communication, demographic statistics and analysis, population policy and planning) and WFP (continuing support to primary schools, basic health units and road workers, in liaison with UNICEF, UNFPA, UNCDF and UNDP).

21. UNCDF's current role has been supportive of infrastructure and rural development in Bhutan. This commitment will continue in the fifth country programme through the rural credit and surface transport programmes and the multifaceted support to the Zone IV programme.

3. Proposed UNDP cooperation in selected areas of concentration

22. The Government proposes that in the fifth country programme, UNDP should support the following national development programmes:

(a) Development of human resources, with focus on training and skill development, and enhancing the role of national institutions ($11.9 million or 47 per cent of the programme).

(b) Efficiency in government and development of the private sector, with focus on improving the functioning of all levels of government and assuring effective decentralization and people's participation; on entrepreneurship development and training for the private sector, and creating an enabling environment for industrial development ($2.7 million or 11 per cent).

(c) Sustainability in natural resources management, with focus on environment, forestry, horticulture and rural credit ($3 million or 12 per cent).

(d) Regionally balanced development, with focus on further improvements in communications (telecommunications, surface and air transport), on hydroelectric power, on human settlements and on promoting regional development efforts in Zone IV ($7.3 million or 28 per cent).

(a) Development of human resources

23. In the seventh Plan, the Government continues to assign top priority to human resources development. Eight per cent of the Plan resources are allocated for the master plan for human resources development. Its objectives are to provide trained manpower and to build up institutional capacity, particularly in the private sector and in NGOs. The strategy includes overseas training, capacity-building through in-service training, manpower planning and management, and increased participation of women. In addition, assistance will be provided for strengthening national institutions such as the Sherubtse Degree College, the Deothang Polytechnic, the Royal Technical Training Institute, the Royal Institute of Management, and also for sectoral technical training institutions, to provide the skills required at various levels.

24. UNDP assisted in the preparation and implementation of the current master plan and in the elaboration of the seventh Plan master plan for human resources development. The master plan will require $50 million of donor support for training, of which $30 million is committed by bilateral/NGO sources, $6 million by the United Nations system, while $14 million is yet to be committed. Of the last-mentioned amount, the Government requested that UNDP set aside $7 million for priority training needs, in the event that other funding cannot be secured. The Plan would be reviewed annually and adjusted as needs change during implementation. The results are expected to include improved management of training programmes, and further enhanced the capacity

of the Royal Civil Service Commission and the sectoral ministries in manpower planning and personnel administration. Of the 580 fellows to be trained in critical sectors, it is expected that 20 per cent will come from the private sector and that the number of women trained will double.

25. The second element of UNDP support will be to strengthen national training institutions. Current assistance to the Sherubtse College and to the Deothang Polytechnic will be consolidated through national staff development, faculty upgrading and curriculum restructuring. A loan from the Asian Development Bank (AsDB) will finance the expansion of facilities at the Deothang Polytechnic. In both institutions, facilities to encourage women students will be provided.

26. The Royal Institute of Management, which will be the focal point in the Royal Civil Service Commission for designing programmes to enhance government efficiency, will be upgraded to improve its training activities and consultancy capacity in management, public administration, finance and planning. Financing will be provided by IPF and Management Development Programme (MDP) sources, while the physical infrastructure is being upgraded with a loan from the Asian Development Bank. In other sectors, modest training facilities will be supported in telecommunications, road building, industry, forestry and in Zone IV.

27. The third element of the human resources development programme is the provision of United Nations Volunteer specialists. The Royal Civil Service Commmission is responsible for recruiting expatriates to fill gaps in the civil service, and a number of volunteer programmes have provided personnel, especially in education, health, agriculture, and water supply and sanitation. UNV is the largest such programme and demand is now reaching the hundred-post ceiling established in the fourth cycle. Given the demands on UNDP resources and other volunteer programmes, the Government wishes to focus UNV specialists in areas where they will have a multiplier effect in terms of transfer of skills, technology and capacity-building.

(b) Efficiency in government and development of the private sector

28. The Government's strategy for maximizing the impact of limited financial and human resources is through improving the efficiency of both private and public sector undertakings. In this connection, the strategy will be addressed specifically to improving the prioritization and policy formulation process, rationalizing the size of the civil service and increasing its productivity, introducing management structures and policies that commercialize the operations of public sector enterprises, increasing decentralization in government departments, and promoting the private sector.

29. In support of these initiatives, proposed areas of focus for UNDP (IPF and possibly MDP) resources include:

Workshops to train and guide decision makers in policy formulation on economic and social development issues;

Capacity-building programmes in planning and budgeting, monitoring and evaluation, statistics, management information systems, aid coordination and debt management;

Studies and reforms of fiscal programmes, at both central and local levels, in order to enhance domestic resources mobilization and utilization;

Studies and reforms of the organization and methods of government;

Studies and reforms of local and regional governments in the context of accelerating decentralization.

30. While this programme will be initiated at the central level, its applications will be tested in depth through a special capacity-building programme for Zone IV.

31. The objective for the industrial sector, which is expected to be the main growth sector during the Plan period, is to encourage investment by creating an enabling environment and by strengthening the private sector through access to credit, markets and entrepreneurial training. Market-based mechanisms will be used, tariffs will replace quantitative restrictions, and incentive packages will promote regionally balanced investments. Efforts will focus on mining, cement production, sawmilling, tourism, essential oils and the development of cottage, small- and medium-scale industries. Institutional strengthening of the Department of Industries and the Bhutan Chamber of Commerce and Industry will be supported by UNDP in planning, feasibility studies, trade promotion and standardization, and management. Entrepreneurial training and creating an enabling environment for private sector activity is the second area of support.

(c) Sustainability in natural resources management

32. The major constraints in the agriculture sector are the scarcity and poor quality of arable land for crop production, share-cropping and related fluctuations in productivity, acute seasonal labour shortages, low returns to labour in farming, distance from markets and poor infrastructure. Subsistence household food security, and the shortage of feed for livestock remain priority areas of need. In addition, agriculture planning, land-use planning and forest management are severely hampered by lack of data and statistics.

33. A major objective in this sector is food self-sufficiency and food security. Government policy is to exploit Bhutan's comparative advantage in cash crops, particularly horticultural exports, in order to be able to import sufficient cereals and other foods. UNDP resources will focus on the preparation and implementation of a horticultural master plan, complementing resources already invested in storage facilities and marketing structures by UNCDF. Further donor support will be required for this programme. UNDP will also support the expansion of UNCDF's rural credit programme for cash cropping, land improvement, off-farm diversification. Complementary

assistance in food production is being provided by Switzerland through its support of a successful potato production and export programme. The European Economic Community (EEC) will support cereal production programmes and strengthen institutional capacity in the Ministry of Agriculture. Indicators of success would include diversification of land use, increased exports, improved internal markets and a self-sustaining credit programme.

34. The second objective is the sustainable utilization of natural resources. Government policy gives considerable priority to maintaining forest cover at present levels of about 60 per cent of the land area, and to establishing protected managed areas covering 28 per cent of the land area. In this context, management of forest resources and capacity-building in the Department of Forests is critical, given the need to reconcile conservation and exploitation of forest resources. In liaison with other donors active in the forestry area, UNDP is requested to continue its support to forest conservation and management at the national level.

35. Within the framework of the forestry master plan, expected results of the Government's forestry programmes include national inventory and management plans, increased capacity to manage resources, and agro-forestry complexes established as part of integrated farming systems. UNFPA, through population policy formulation, will promote the integrated approach to the environment, population and development. An innovative initiative made in this connection was the signing in March 1991 of the Bhutan Environment Conservation Trust Fund between the Government, the World Wildlife Fund, and UNDP, with the aim of creating a $20 million endowment the income from which would finance capacity-building and operations in this area. The Global Environment Facility (GEF) is expected to contribute $10 million, the World Wildlife Fund $1 million and other donors are being sought to provide the balance which would enable the Fund to become operational at the start of the Plan period.

36. The integrated farming systems approach will be promoted to ensure sustainable land use, emphasizing sound land-use planning and management, use of soil conservation techniques and agro-forestry, integrated into existing farming systems. Irrigation systems and livestock production systems will accordingly be reviewed within this framework. Both IFAD and AsDB have developed investment programmes for the eastern (Zone IV) and western regions of the country respectively, which build on this policy, while the Danish International Development Agency will support national land-use planning. UNDP is requested to support the IFAD programme as part of the programme of support to development in Zone IV.

(d) Regionally balanced development

37. The harsh terrain and land-locked status of Bhutan have traditionally isolated communities. A major challenge to development is to minimize the impact of such barriers on access to services and on the costs of production and trade. While considerable progress has been made during the last decade, marked regional and local disparities are still prevalent. The objectives of the seventh Plan are to achieve balanced regional development performance,

through appropriate physical, economic and social infrastructure development in the less advantaged areas of the country, the provision of incentives to investment in such areas, and the promotion of integrated area or regional development programmes.

38. As part of accelerating development in the eastern part of the country, the Government is promoting a major increase in investments in what is recognized as the poorest and most isolated of the four major populated watersheds in the country. Five of a total of 18 districts and about a third of the country's population will be covered by the programme. It will build upon the experience gained by IFAD and UNDP in supporting area development in two of the five districts covered by the fourth country programme.

39. In addition to supporting the Government's experiment in zonal administration, in improving planning, implementation and monitoring capacities and in decentralizing development activities through popular participation, the programme will also support investment by IFAD in agricultural development, by UNCDF in roads, bridges, credit and social services, and by UNICEF in social services and social mobilization at the village level. It will also ensure close cooperation with IBRD investments in social forestry. A number of UNVs will be recruited to support these and other zonal programmes, including settlement planning and urban development. At the village level, the UNV programme of Domestic Development Services will be introduced to stimulate community-oriented development. The total programme will be reviewed annually and evaluated at its mid-point to ascertain its effectiveness in meeting the development needs of Zone IV.

40. In respect of transport and communications, the role of UNDP will be focused on a surface transport review and a roads sector master plan which will determine options and establish criteria for future expansion of surface transport. In addition, UNDP will continue to support training and management improvements in road sector operations, supported by investments in maintenance by ADB and UNCDF and in completing feeder road construction in Zone IV by UNCDF. In telecommunications, UNDP will continue to support training and management improvements and supervise implementation of the master plan prepared with earlier support from UNDP and the International Telecommunication Union. In civil aviation, UNDP and the International Civil Aviation Organization are expected to help prepare a domestic air transport master plan and to continue to provide training and management support to the Department of Civil Aviation and to the national airline, Druk Air.

41. Bhutan's hydroelectric power potential is estimated at roughly 20,000 MW. This has wide-ranging implications, not only for the country's electrification, but also for its export potential. UNDP and Norway are funding, under IBRD execution, a hydropower master plan, which is also upgrading a network of hydrological and meteorological stations located throughout the country. Four potential sites will be selected for pre-feasibility studies, the funding of which will be provided by bilateral donors. Detailed environmental impact assessments will be conducted under the master plan to ensure that environmental considerations are taken fully into account. India, Austria and Japan are actively investing in the power sector.

42. As the migration from rural to urban areas increases, so too will the need for an articulated strategy to deal with the many issues that arise with the development of human settlements. The United Nations Centre for Human Settlements has prepared a sectoral review which will help define future UNDP interventions in human settlements planning and management. In water supply and sanitation, UNDP will finance the preparation of a sector strategy for the decade and modestly support investment by UNICEF and other donors, using the UNDP/IBRD regional teams.

C. Assistance outside main country programme areas

43. A number of sectors may benefit from modest continuing support under the fifth country programme, particularly where seed money may lead to the mobilization of donor resources and cost-sharing is secured to support the full implementation of the programmes. One such programme is the support to the Department of Survey to produce basic topographical maps and to digitalize the cadastral survey records, with Swedish bilateral support. Five other projects have been prepared with help from the United Nations Department of Technical Cooperation for Development for which donor support is required. UNDP also provided initial support through the United Nations Educational, Scientific and Cultural Organization to help develop a cultural heritage programme for which further modest inputs may be required to attract donor funding for the main programme.

D. Implementation and management arrangements

44. The programme has been formulated taking account of the Plan priorities and the roles of other donors and United Nations agencies in other sectors. A programme approach has been used or initiated in a number of areas. This includes human resources development, improving the efficiency of the Government, the development of Zone IV, and sectors in agriculture, forestry, horticulture, industry, transport and communications.

45. National execution will increasingly become the normal mode of project execution during the fifth country programme; the current number of approved and pipeline projects under national execution (five) will increase appreciably by the mid-term review of the fifth country programme, with some 60 per cent of the programme expected to be nationally executed, based on the specific needs and capacities of the projects. Support will still be required, however, from United Nations cooperating agencies especially in areas involving advanced technology. As part of the programme to increase planning and resource management capacity, appropriate steps will be included to enhance capacity for national execution, including financial management, monitoring and evaluation.

46. In programme/project design and implementation, as much use as possible will be made of scarce local expertise, including national consultants, as well as the existing NGOs. In screening and operationalizing proposals

contained in the Plan and the fifth country programme, stronger demand-driven activities will be identified for such modalities as the United Nations International Short-Term Advisory Resources and Technical Cooperation among Developing Countries (UNISTAR) and Technical Cooperation for the Developing Countries (TCDC). Joint reviews of consultants' performances will be undertaken and equipment standardization will be pursued to increase sustainable use.

47. The Planning Commission will manage the UNDP programme, relying on UNDP to support its efforts and continue to strengthen aid management and coordination initiatives. Within the framework of the round table meetings, in respect of UNDP's fifth country programme, the Government will continue to use the annual and mid-term reviews for management purposes and annual project monitoring for smooth implementation.

Annex I

FINANCIAL SUMMARY

I. ESTIMATED RESOURCES (IPF + cost-sharing) TAKEN INTO ACCOUNT FOR PROGRAMMING

(Thousands of dollars)

Carry over from fourth cycle IPF	(3 400)	
Fifth cycle IPF	27 892	
Subtotal		24 492
Project cost-sharing (Government)	808	
Project cost-sharing (third-party)	200	
Programme cost-sharing		
Subtotal		1 008
Total		25 500

II. ALLOCATION OF RESOURCES (IPF + cost-sharing) BY AREA OF CONCENTRATION

Area of concentration	IPF	Cost-sharing	Total	Percentage of total resources
1. Development of human resources	11 900	-	11 900	47
2. Efficiency of Government and development of private sector	2 700	-	2 700	11
3. Sustainability in natural resources management	3 000	-	3 000	12
4. Balanced regional development	6 300	1 000	7 300	28
Subtotal	23 900	1 000	24 900	98
Other assistance	600		600	2
Total	24 500	1 000	25 500	100

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III. COMPLEMENTARY ASSISTANCE FROM OTHER SOURCES USED IN AREAS OF CONCENTRATION

(Thousands of dollars)

A. UNDP-administered funds		
SPR (tentative)	1 000	
UNCDF	16 000	
UNSO	-	
UNIFEM (tentative)	200	
UNRFNRE	-	
UNFSTD	-	
Subtotal		17 200
B. Other United Nations resources		
JCGF participating agencies:		
UNFPA	500	
UNICEF	300	
WFP	200	
IFAD	4 000	
Other United Nations agencies (non-UNDP financed)	6 000	
Global Environmental Facility	10 000	
Subtotal		21 000
Total non-core and other United Nations resources		38 200

Annex II

PROGRAMME MATRIX

Area of focus*

Area of concentration	Poverty eradication and grass-roots participation	Environment and natural resources management	Management development	TCDC	Transfer/ adaptation of technology	Women in Development
I. DEVELOPMENT OF HUMAN RESOURCES						
HRD master plan			*			*
UN Volunteers	*		*		*	
Sherubtse College			*		*	
Deothang Polytechnic			*	*	*	
II. EFFICIENCY IN GOVERNMENT AND DEVELOPMENT OF PRIVATE SECTOR						
Planning and resource management			*		*	
Improving efficiency in government	*		*			
Entrepreneurship development	*		*		*	*
Industrial development			*		*	
III. SUSTAINABILITY IN NATURAL RESOURCES MANAGEMENT						
Horticultural master plan		*			*	*
Rural credit	*		*			*
Forest conservation and management	*	*			*	
IV. BALANCED REGIONAL DEVELOPMENT						
Road sector master plan			*		*	
Road maintenance/operations			*			
Telecommunications			*		*	
Civil aviation			*		*	
Hydropower		*			*	
Human settlements	*		*		*	*
Zone IV development	*	*	*	*	*	*

* Asterisks indicate major linkage only.